AUTHORIZED ECONOMIC OPERATOR (AEO)

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AUTHORIZED ECONOMIC OPERATOR

AEO is a program under the World Customs Organization (WCO) SAFE Framework of Standard to secure and enhance international supply chain security and facilitate movement of legitimate goods across international borders.

An AEO is a party involved in international movement of goods in whatever function that has been approved by Customs administration for complying with WCO or equivalent supply chain security standards.
OBJECTIVES

- To implement **transparent** global trade security standards.

- To enhance the level of **compliance** and awareness of respective supply chain.

- To **align** Malaysia’s Customs practice to international best practices based on the WCO.

- To position Malaysia as a **secure trading nation** in the global arena.

- To **enhance the competitiveness** of Malaysian traders / operators internationally.
1. IN OPERATION FOR THE PAST THREE YEARS
2. HIGH LEVEL OF COMPLIANCE
3. NO TAX ARREARS
4. THE COMPANY AND DIRECTORS HAVE SECURITY CLEARANCE
5. MUST HAVE SECURITY FEATURES IN PLACE
6. ELECTRONIC FUNDS TRANSFER FACILITIES
**COMPLIANCE CHECKLIST**

**A. Demonstrated Compliance with Customs Requirement**

**B. Satisfactory System for Management of Commercial Records**

**C. Financial Viability**

**D. Consultation, Co-operation and Communication**

**E. Education, Training and Awareness**

**F. Information Exchange, Access and Confidentiality**

**G. Cargo Security**

**H. Conveyance Security**

**I. Premises Security**

**J. Personnel Security**

**K. Trading Partner Security**

**L. Crisis Management and Incident Recovery**

**M. Measurement, Analysis and Improvement**

**N. Implementation of Customs Procedures**

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**MALAYSIA COMPLIANCE CHECKLIST**

The questionnaires below are meant to assist the Malaysian Royal Customs in determining the eligibility of companies applying for accreditation as Authorized Economic Operators (AEOs). Please tick [ ] Yes or No and please give explanation in the remarks column. Note: The condition part requirements marked [ ] are not mandatory.

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<thead>
<tr>
<th>CONDITION AND REQUIREMENTS</th>
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<th>NO</th>
<th>REMARKS</th>
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- [ ] Yes
- [ ] No

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[Image]
SCOPE

70 Importers

70 Exporters

140
Licensed Manufacturing Warehouse

Manufacturer in Free Industrial Zone

Other Manufacturers

Trading Company
1. Automated approval
2. Fast clearance
3. Controlled by post clearance audit
4. Deferred payment of duty
5. Simplified drawback claims
6. Mutual Recognition Arrangement
Facilitate secure transmission of customs application through the internet

Effective from 1 November 2018, AEO System has been enhanced

- Web based AEO System with Windows 10
- 18 bankers FPX Gateway payment
- USB Token with SHA1 and/or SHA2 (w.e.f.1/1/2019) networking,
- Bigger capacity Server
- To extend program to Warehousing Operators & Logistics Service Providers
MUTUAL RECOGNITION ARRANGEMENT (MRA)
BENEFITS OF MRA

✓ Recognized as secured company
✓ Lower risk category
✓ Fast clearance of goods
✓ Controlled by post clearance audit
MRA CONCLUDED

16 OCTOBER 2017
Berlin

17 MARCH 2016
Kuala Lumpur

27 JUNE 2014
Brussels
MRA UNDER NEGOTIATION

ROYAL MALAYSIAN CUSTOMS DEPARTMENT

U.S CUSTOMS AND BORDER PROTECTION

THE GENERAL ADMINISTRATION OF CUSTOMS OF THE PEOPLE’S REPUBLIC OF CHINA

THAI CUSTOMS DEPARTMENT
MRA IN PROGRESS

AUSTRALIA BORDER FORCE (ABF)
- 26 September 2018
- MOF issued Approval letter
- Waiting Letter of Intent from Australia

SINGAPORE CUSTOMS
- September 2018
- Singapore has conveyed Letter of Intent

INDIA CUSTOMS
- September 2018
- Proposal Paper pending DG Approval
MRA consultation & signing with Other Customs Administration

Enlargement of AEO scope & benefit:
Logistic Service Provider Warehouse Operator